

**MEETING MINUTES
SAN JUAN COUNTY (SJC), WASHINGTON
COUNTY COUNCIL
September 22 and 23, 2008**

Monday, September 22, 2008 - Council Hearing Room, Legislative Building, FH

CALL TO ORDER – REGULAR STAFF MEETING AND WORK SESSION

Council Chair Howard Rosenfeld called the staff meeting to order at 10:02 a.m. Council members Kevin Ranker, Rich Peterson, Gene Knapp, Bob Myhr, and Alan Lichter; County Administrator, Pete Rose; Clerk to the Council, Ann Larson; Deputy Clerks, Lisa Brown and Maureen See; and interested members of the public were present.

CLERK UPDATE / ADMINISTRATIVE MATTERS

Clerk Larson reported that the Historic Preservation Grant Program (HPGP) deadline had passed and it was time for the Council to select a subcommittee to review the applications. She inquired about the possibility of including a late entry, but the Council stood by the guidelines. Mr. Myhr, Mr. Knapp, and Mr. Lichter agreed to serve on the subcommittee. Ms. Larson referenced an item on Consent that needed to be expedited and requested that the Council sign Consent documents at the noon break on Tuesday. She reported that FTR support came to assess and reconfigure the Council recording software and that the recording system we currently use for traveling will now work with any PA system and that the Efficiency Staff will be coming back with other road-show type set-ups for Staff to review. Ms. Larson announced that there is an on-line version of the SJC Code and three copies available in the office for Council reference. She offered to make individual copies for any Council member who requested such. Mr. Lichter inquired about budget provisions for accommodating the mayor of Esquimalt, who is coming to brief the Council at their request. Ms. Henley, who was also in attendance, suggested, as a legal option, creating a contract to cover the expenses. Council discussion took place and it was decided to set up a contract.

Deputy Clerk See provided a letter of interest from Linda Degnan Cobos for an Agricultural Resources Committee (ARC) opening. She stated that the position had been advertised five times and that the applicant had full approval of the ARC. Mr. Rosenfeld asked that her appointment be placed on Consent for tomorrow. Ms. See inquired about meal confirmations for Council members who plan to attend the Washington State Association of Counties (WSAC) Annual Conference, as they are part of the on-line reservation package.

Administrative Matters: Council Minutes and agendas were reviewed and revised.

COUNCIL CALENDAR REVIEW

Council calendar items were reviewed and the October 25, 2008 Cell Phone Task Force meeting was cancelled.

COUNCIL MEMBER UPDATES

Ferries/FAC/Ferry Subcommittee: Mr. Rosenfeld invited comments on the Transportation Summit and the Transportation Commission/FAC meeting on Thursday. Mr. Myhr suggested sending a letter of thanks to Liz Illg for coordinating this effort. Mr. Rosenfeld noted that Mr. Knapp had suggested a thank-you letter to the Transportation Commission for coming here as well. Mr. Rose commented that he took away from the presentations the possibility of a local tax. Council discussion took place, punctuated by comments regarding making a strong case to the legislature for funding that is in competition with other high-demand projects that have a strong state-wide “push.” Mr. Rosenfeld was interested in learning what the local contributions toward these projects were. The Council concurred that attendance at the October 3rd Farmhouse Meeting in Marysville was important. Mr. Ranker reported that this is their annual meeting and they would be discussing the passenger-only ferry between Bellingham and Friday Harbor. Mr. Rose reported that Shannon Wilbur, Public Works (PW) Senior Engineer, had accepted the Transportation Planner position and was planning to attend the meeting as well. Mr. Rosenfeld said he would be meeting with Moseley prior to the FAC joint meeting in Anacortes. **Noteworthy Support:** Mr. Myhr recognized the tremendous value of citizens’ committees and the significant work they do on behalf the County. He also commended the work of the San Juan Initiative, part of the Puget Sound Partnership (PSP), noting that as the PSP considers down-Sound issues, they look to see how SJC is managing its shorelines. **Guest Houses:** Mr. Myhr reported that he received a letter on September 3rd, 2008,

from Paul Kamin and Bob Egan, regarding guest house units and water availability. Mr. Rosenfeld said he would provide a response. **Stormwater Subcommittee:** Rich Peterson stated that Stormwater should be the Charter Completion and General Governance Committee's highest priority and suggested asking them to report on that in their session later today. He stated that although Stan Matthews, Communications Program Manager, was nearing completion of a document explaining the basis of this assessment to be taken to upcoming public meetings, he didn't understand the problem in making minor changes to the Ordinance and why that couldn't also be available. **Legislative Priorities & Lobbying Efforts:** Mr. Rosenfeld stated that the \$20,000 lobbying program request may need to be revisited. Mr. Myhr noted that there is still \$300,000 in unused loan funds available from SJC for failed septic systems and questioned the request to expand the ShoreBank loan program. Ms. Henley weighed in and Mr. Ranker pointed out that the difference in the ShoreBank program is that the loan can be attached as a lien to the property of the homeowner and is not due until the home sells, providing an option to people who cannot afford an additional loan payment. Mr. Myhr stated that it may also include Stormwater provisions and that WSAC is working on setting up funding for stormwater projects as well. Ms. Larson reported on delays regarding position papers, stating that they should all be in by the end of the week. Mr. Myhr reported that, during the Transportation Summit, he had an opportunity to spend time with Cheryl Little, Constituent Services Representative for Congressman Larsen, and Sally Hintz, Northwest Washington Director of the Office of Senator Cantwell, discussing our three federal priorities in detail and was able to provide them with a clear understanding of SJC needs. **Charter Completion & General Governance Subcommittee:** Mr. Knapp reported on a problem in Eastsound regarding a sidewalk vendor and suggested an anti-peddling ordinance be considered for Eastsound prior to next summer. Mr. Rosenfeld suggested looking at what restrictions Friday Harbor has in place. Council discussion took place and Mr. Lichter stated that some SJC ordinances encourage flower and produce vendors, but that this individual may not be legitimate. **Transfer Station:** Mr. Rose reported on a letter he received from SJ Sanitation proposing to handle all solid waste in SJC. Mr. Peterson pointed out that the Solid Waste Advisory Committee (SWAC) had an intensive discussion regarding curbside pickup and abandoned the idea. Council discussion took place and it was decided that SWAC would be asked if they would consider hearing SJ Sanitation's proposal. **Crosswalk:** Mr. Rosenfeld reported on the 3-1 vote of the Friday Harbor Town Council against putting in a crosswalk at the intersection of Reed and 2nd Streets. He commented that the town attorney agreed with Mr. Knapp's interpretation, but didn't agree that either the Town or the County would have liability. Council discussion took place and it was decided that the Council would direct Staff to write a memo to SJC employees asking them to use the crosswalk areas, marked and/or unmarked, when crossing 2nd Street.

COUNTY ADMINISTRATOR ITEMS

11:00 a.m. – Also present: Ron Henrickson, Community Development & Planning (CD&P) Director; Shireene Hale, Senior Planner; Mark Tompkins, Environmental Health Manager; and interested members of the public.

2009 Budget Briefing: Mr. Rose referenced the economic downturn, stating that it will affect 2009 budget projections. He distributed an outline of Guiding Principles that he provided to department heads to apply in their budgeting decisions. Council discussion followed regarding these principles, essential services, un-funded mandates, making difficult reductions, and the importance of elected officials following these guidelines as well. Mr. Myhr stated that one principle that appeared to be missing – an important one – is community values. Mr. Rose explained that the proposed budget, with program requests from department heads, will be presented allowing 75 days for him to review and he in turn will present a final proposal to the Council 75 days prior to the deadline for Council action.

Critical Areas Ordinance (CAO): Mr. Henrickson reported on the CAO progress, stating that he and Ms. Hale were present to provide information and background on a very complicated matter that is scheduled to come before the Council next month. Ms. Hale stated that the hearing scheduled for October 14, 2008, may need to be postponed but promised to keep the Council posted and get materials to them as quickly as they can. She stated that the Ordinance is currently under legal review and provided a report on determinations of the Committee. The people on the Committee that didn't agree with designating the entire county as a critical aquifer recharge area (CARA) prepared a minority report that will be included in the packet. Other things included in the ordinance are provisions to simplify requirements for businesses that use chemicals, and an inspection program for facilities using chemicals; modifications to several sections of the code to accommodate the county-wide groundwater approach; a section to make it easier for service providers to extend their services beyond Urban Growth Area (UGA) boundaries when necessary to protect public health, safety, and the environment. It also includes

provisions to correct language in regulations for Eastsound regarding bonus density for affordable housing when a parcel includes a critical area. Ms. Hale answered questions from the Council.

Transfer Station: Mr. Rose reported that SJC's State Environmental Policy Act (SEPA) officials (CD&P Director and the Prosecuting Attorney), are looking into a question that arose from Mike Macdonald's letter, in which he questioned whether the SEPA process had been properly followed regarding the transfer station. He also provided a draft response acknowledging receipt of his letter and to expect answers to his questions in a few days. The Council authorized the Chair to sign the letter.

Rainwater Catchment Permitting: Mr. Rose reported that he would have a written briefing on the rainwater catchment permitting process by the end of the week. Mr. Rosenfeld inquired about the necessity of this in light of an expected change in the Department of Ecology (DOE) regulations. Mr. Tompkins replied, stating that over the past six years similar attempts to exempt rainwater had failed to make it out of legislature and that they are following the DOE recommendation in pursuing this permit.

Elections Office Roof: Mr. Rose reported that the replacement of the roof did not resolve leaking issue in the elections office, but did reveal the problem which should be able to be fixed within the allocated budget. It should be complete by the end of the week.

Courthouse Parking Lot Street Lamp: Mr. Rose reported that as we head into the darker fall season the Courthouse parking lot will be illuminated by a street light that has been placed at the top of steps coming out of the Courthouse. He said the Town also placed a second "cobra" over two fixtures on 1st St. Mr. Rose answered questions from the Council and discussion took place.

Town of Friday Harbor Annexation: Mr. Rose provided a draft letter that he suggested the Council send to the Town of Friday Harbor encouraging them to proceed with the Annexation Hearing to allow for timelines to be met for the Affordable Housing Project. The Council agreed by consensus to sign the letter under Consent tomorrow.

12:30 p.m. (Commenced at 12:34 due to time constraints.) – **Law & Justice System Overview:** John Linde, Superior Court Judge; Stewart Andrew, District Court Judge; Tom Kearney, Juvenile Court Administrator; Joan White, SJC Clerk; Bill Cumming, SJC Sheriff; and Randall Gaylord, SJC Prosecuting Attorney. To provide an understanding of the potential consequences and impacts to the Law & Justice System, Judge Linde began the presentation by describing the scenario of two families moving to the San Juan Islands. He described, as an example, one family arriving that participated in school functions, attended church and school, and didn't present problems for the community. The other family arrived in hopes of resolving problems, only to find that those problems didn't go away in a small rental home, trying to make a living in an expensive place. This scenario continued on, weaving through the system with presenters describing a possible involvement in their department and explaining the time and resources expended to seize, restrain, accommodate, rehabilitate, and reintegrate the family members, who escalated through the crimes of domestic violence, drug charges, and neglect; filing for divorce, and requiring child protective services. The panel answered questions from the Council as the presentation unfolded. Discussion followed regarding the 1/10 of 1% Mental Health Tax for Therapeutic Court. Judge Linde indicated that he would have a docket for this type of court, but didn't see it as essential. Mr. Kearny explained that this tax was initiated by Senator Hargrove to give local communities control over providing the kind of help they need and have an impact on the parents who are being treated and abusing or neglecting their children due to dependency problems, but that the Therapeutic Court was a required component of the program.

ADJOURN - At 2:25 p.m., Council Chair Rosenfeld adjourned the meeting.

Tuesday, September 23, 2008 - Council Hearing Room – Legislative Building, FH

CALL TO ORDER

Council Chair Rosenfeld called the meeting to order at 10:01 a.m. Council Members Kevin Ranker, Rich Peterson, Gene Knapp, Bob Myhr, and Alan Lichter; County Administrator, Pete Rose; Clerk to the Council, Ann Larson; Deputy Clerks, Lisa Brown and Maureen See; and interested members of the public were present.

The flag salute was conducted.

5/23/2016

17:36:56 PM

APPROVAL OF MINUTES

Moved by Ranker, seconded by Knapp, to approve the **Minutes of September 15 and 16, 2008**. Motion carried.

CONSENT AGENDA

Moved by Lichter, seconded by Ranker, to approve the **Final Consent Agenda of September 23, 2008** as follows:

A. Resolutions/Ordinances:

1. A Resolution accepting restrictive use easement for affordable housing at Woodlands Estates

B. Contracts/Agreements: (No items.)

C. Budget Items: Approve Warrants:

- Warrant #50670-50748 in the amount of \$232,512.91 for Public Works
- Warrant #50418 in the amount of \$135,217.70 for County claims (OPAL Community Land Trust)
- Warrant #50943 in amount of \$500 for Veteran's Assistance
- Warrant #51093 to 51121 in amount of \$30,563.40 for Public Works
- Warrants #50957-51092 in the amount of \$114,168.34 for County claims

D. Personnel: (No items.)

E. Appointments:

A letter appointing Linda Degnan Cobos to the SJC Agricultural Resources Committee, Position #13, filling the unexpired term of Ron Zee. The term is to begin immediately and expire on August 31, 2009.

F. Correspondence:

A letter to Mayor David Jones & Town Council urging them to set the annexation hearing for the petition that includes the SJ Community Home Trust property.

G. Miscellaneous: (No items.)

H. Bid Openings: (No items.)

Motion carried.

ACTION AND DISCUSSION ITEMS

PUBLIC HEARINGS/MEETINGS/WORK SESSIONS

COUNCIL DISCUSSION/UPDATES/OTHER ACTION ITEMS:

COUNCIL MEMBER UPDATES

Stormwater Subcommittee: Mr. Peterson stated that a press release covering the upcoming process had been prepared. The Subcommittee is moving ahead, attempting to arrive at the best possible outcome for the SJC citizens, with the goal of having the ordinance before the Council in November. **San Juan Initiative:** Mr. Ranker reported that the San Juan Initiative has been spotlighted as one of six case studies on the west coast by the Governors of California, Oregon, and Washington through the West Coast Governors' Agreement on Ocean Health, the US Senate, and several other federal-level entities. The annual meeting of the six groups, including practitioners, elected officials, and heads of private foundations will meet in Friday Harbor for a workshop on October 6 and 7, 2008. Mr. Ranker will be in attendance. **Ferries/FAC/Ferry Subcommittee:** Mr. Rosenfeld expressed concerns regarding the proposed WSF funding study, which has a component of local participation. He reported that he had forwarded an e-mail to Ms. Larson, including a position paper "that didn't pull any punches" in addressing ferry issues from representatives on Vashon Island. Mr. Lichter inquired how much time the newly hired Transportation Planner, Shannon Wilbur, would have to handle ferry related issues. Mr. Rose said it would be approximately 20 percent of her time.

10:20 a.m. – County Council Budget Proposal: Ann Larson, Clerk to the Council, gave a PowerPoint presentation of the proposed Council budget. She reviewed the mission and role of the Council and Staff responsibilities. She provided M&O expenditures over the past two years and what is anticipated for 2009 in the way of expenditures, implementing new technology, and a program request for \$20,000 for lobbying. She

reviewed salaries, advertising, travel, professional development, and other expense items, noting that the Council does not generate much revenue. Ms. Larson answered questions from the Council and discussion took place.

10:35 a.m. – Information Systems Budget Proposal: George Johnson, Information Services Director, provided a PowerPoint presentation and explained the IS department's mission to make County employees more efficient by giving them tools and getting a return on the investment. He quipped "green is easy in IS". He reviewed core services, staff, accomplishments, goals for training, deferred maintenance, infrastructure, equipment replacement schedules, and implementation of new programs. He referenced a "per user" pie chart, breaking down the cost of each user desk equipped with a computer, internet, and telephone, totaling \$191/month. He listed several program requests, including a videoconferencing pilot program commencing with streaming equipment and third-party hosted services and an E-document retention pilot program, that he proposes to begin with the email retention component to determine effectiveness, and then expand to other forms of documents. Mr. Johnson answered questions from the Council.

10:50 a.m. – County Administration Budget Proposal: Adina Cunningham, SJC Deputy Director, gave an overview of the administration department in a PowerPoint presentation. She provided department history and explained how the office transitioned into the Home Rule Charter and the current management model. She explained duties and responsibilities of the various leadership roles including the County Administrator, Pete Rose; herself as Deputy Director; Pamela Morais, Human Resources Manager; Stan Matthews, Communications Program Manager; and George Johnson, IS Manager. She reviewed essential services and accomplishments towards core initiatives. Ms. Cunningham provided a breakdown of the budget, M&O trend, program requests, and county-wide requests. She noted several program requests as follows: 1) Safety and Compliance Officer to ensure employee safety and manage L&I actively to reduce claims, 2) Regence Vitality Program, a wellness, preventative program that could save money, but is hard to quantify, 3) Labor Negotiation counsel and advice, and 4) Part-time clerical support for Debbie Emery, Administrative Assistant. Ms. Cunningham answered questions from the Council and discussion took place. Mr. Ranker commented on the \$700 thousand in requests, the significant shortfall, and the difficult decisions the Council is faced with.

11:20 a.m. – Auditor & Elections Budget Proposal: Milene Henley, Auditor, provided an organizational chart showing the three divisions overseen by the Auditor: Accounting, Elections, and Customer Service (CS). She explained that the CS representatives are cross-trained and efficient, the Elections Department runs elections for state, local, and federal elections, and the Accounting Staff prepares the budget and annual report, and manages the chart of accounts. The Auditor processes inter-fund transfers and provides advice and oversight to the Junior Taxing districts. Ms. Henley reviewed 2008 accomplishments and goals for the year ahead, including complete implementation of Eden and a centralized purchasing program for the County. The two budget requests made by Ms. Henley were 1) Adding procurement services, requiring storage racks, locking storage, and travel, which could be managed with current Staff, and 2) Converting one CS specialist into a CS supervisor. She noted that the increase in cost would be offset by savings from attrition of senior staff. Ms. Henley answered questions from the Council.

COUNTY ADMINISTRATOR COUNCIL BRIEFING

County Administrator Council Briefing. Also present: Milene Henley, Auditor; and interested members of the public.

1:30 p.m. – General Fund Revenues: Ms. Henley provided a PowerPoint presentation with an overview of General Fund revenue projections for 2008 year end and what is expected next year. She reviewed revenue from 2001 through 2007, showing the major source of County revenue as property tax at 38%, followed by sales tax at 32%, with the remainder being a combination of all other sources. She provided a pie chart on the 2008 budget, based on projections, which included a new wedge called "cash" assuming 7.5% and reducing property and sales tax in this projection. Focusing on major components of revenue – property tax includes the road shift (\$400,000) and road diversion tax (\$550,000) limited to traffic law enforcement and reported to the County Road Administration Board (CRAB). Ms. Henley reported that property taxes are limited to 1% growth plus new construction, which has historically been 2.5 to 3.5 percent, and noted the unusually high collection rate SJC has sustained in the past. However, due to indications of economic conditions, Ms. Henley expects SJC may collect less than 100% in both property and sales taxes for 2008, and is planning accordingly for anticipating ending cash. She reported that permits are beginning to lag and construction is slowing, but tourism is doing well. Ms.

Henley explained the difference between “beginning cash” and “cash reserves,” and that the difficulty to secure financing, lack of flexibility, decline in home sales (causing reduction in Real Estate Excise Tax (REET)), decreased revenue and income for citizens and the County, and concern for the future, are all considerations in the current lean projections. She provided maximum and minimum ending cash projections and anticipates ending the year with approximately \$1.5 million and recommends that remain as a cash reserve, shy of her recommended \$2.1 million cash reserve. She reported that levy rates are falling every year and base property tax can only increase by 1% per year, while earmarked levies stay the same, drawing a larger percentage of the total property tax dollars. Ms. Henley noted that at this rate, even if the County cut all non-mandated services, the revenues would not keep up, service levels would continue to fall, and community values would be lost. She mentioned potential long range solutions as a levy lid lift, requiring a vote of the people, and also dedicated levies – removing for example the health department and having it operate as an individual entity. Another would be the second quarter percent REET that could be used for capital needs in County Parks. Ms. Henley answered questions from the Council.

PUBLIC HEARINGS

2:00 p.m. - A continued public hearing was held to consider amending the UDC regarding Annual Amendments. Present: Full Council; Shireene Hale, Senior Planner; Randall Gaylord, PA; Jon Cain, Deputy PA; Karin Agosta, Planning Commission (PC) Chair; Pete Rose, County Administrator (CA); Ann Larson, Clerk to the Council; Lisa Brown, Public Hearings Specialist; and interested members of the public. Ms. Hale stated that this issue was left in the deliberations stage, with the Council requesting more information and legal counsel. She referenced her Staff Report, which included references from that section of the law. Jon Cain referenced RCW 36.70.13A and answered questions from the Council regarding regulations and the proposed Ordinance. Ms. Agosta concurred with Mr. Lichter’s interpretation of the Planning Commission recommendation, stating that the PC did believe it would be adopted, but felt strongly they needed to provide the Council with their position on key points. Mr. Henrickson, Ms. Hale, Ms. Agosta, and Mr. Cain answered questions from the Council. Public testimony was opened and submitted by three individuals. Mr. Rose referenced several written communications that were received and entered into the record. Public testimony was then closed and Mr. Gaylord provided clarification on why the UDC had the “once per year” amendment clause. He stated it was not for convenience or inconvenience, but rather to assess what had to be done in order to get a project approved that required the three components of map amendment, text amendment, and variance. He added that other changes could go through variance or development code changes consistent with the Comprehensive Plan, but what is proposed is a matter of convenience to allow alterations to occur in “little steps along the way.” Further Council discussion took place and deliberations began. The Council reached consensus on the following (each item was approved as legally appropriate by Counsel, Mr. Cain):

- 1) Amendments be made no more than three times per year.
- 2) The action would have a two year sunset.
- 3) Section 1 findings would be removed from the Ordinance, relocated to recitals, and simplified.
- 4) Docket items would be listed on the SJC website either under this, or a separate, Ordinance.
- 5) A hard copy of the Docket items be maintained in the office of CD&P, by Ordinance.
- 6) Update legal notice requirements to include on-line media and anyone who writes and requests special notices.

Mr. Gaylord then advised the Council to bring this issue to closure, but retain the final vote to a specific day, after CD&P came back with a final draft, for Council decision. The public hearing was continued to November 18, 2008.

2:45 p.m. – (Commenced at 3:30 due to time constraints.) A public hearing was held to consider the Wilcox & Collingsworth site-specific re-designation. Present: Full Council; Julie Thompson, Associate Planner; Ron Henrickson, CD&P Director; Pete Rose, County Administrator (CA); Ann Larson, Clerk to the Council; Lisa Brown, Public Hearings Specialist; and interested members of the public. Ms. Thompson presented her Staff Report, explaining that the Applicant had worked with the State Parks (SP) Department in purchasing and trading land to allow SP to secure a piece of property bordering their land and transferring SP non-adjacent property into private hands. She also reviewed the re-designations resulting from this transfer. Ms. Thompson and Mr. Henrickson answered questions from the Council. Public Testimony was opened, none submitted, and closed. Deliberations were held. Mr. Myhr recused himself from the vote due to his initial involvement in the transaction. Mr. Cain recommended against making a final decision on this application and deferring it to concurrent timing with the UDC Amendment decision.

Moved by Lichter, seconded by Peterson, to approve the Wilcox & Collingsworth site-specific re-designation. Mr. Rose inquired about tentative approval in a motion to bind the final decision over to November 18, 2008 for decision on the Annual Docket. **Motion failed 4-1, with Myhr recused.**

Moved by Ranker, seconded by Peterson, to continue the hearing to November 18, 2008. Motion carried 4-0, with Lichter abstained, Myhr recused.

ADJOURNMENT - Moved by Lichter, seconded by Knapp, to adjourn the meeting at 3:47 p.m. Motion carried. The next Meeting was scheduled for Monday, September 29, 2008, on Orcas Island and the next Regular Meeting was scheduled for Tuesday, September 30, 2008.

These Minutes were approved and signed on Tuesday, September 30, 2008. The original document is retained in the Council's permanent proceedings file. Attest: Lisa J. Brown, Deputy Clerk.